

COP27: ISSUES FOR SOUTHEAST ASIA'S ENERGY TRANSITION

FRANK JOTZO

ANU INSTITUTE FOR CLIMATE ENERGY & DISASTER SOLUTIONS

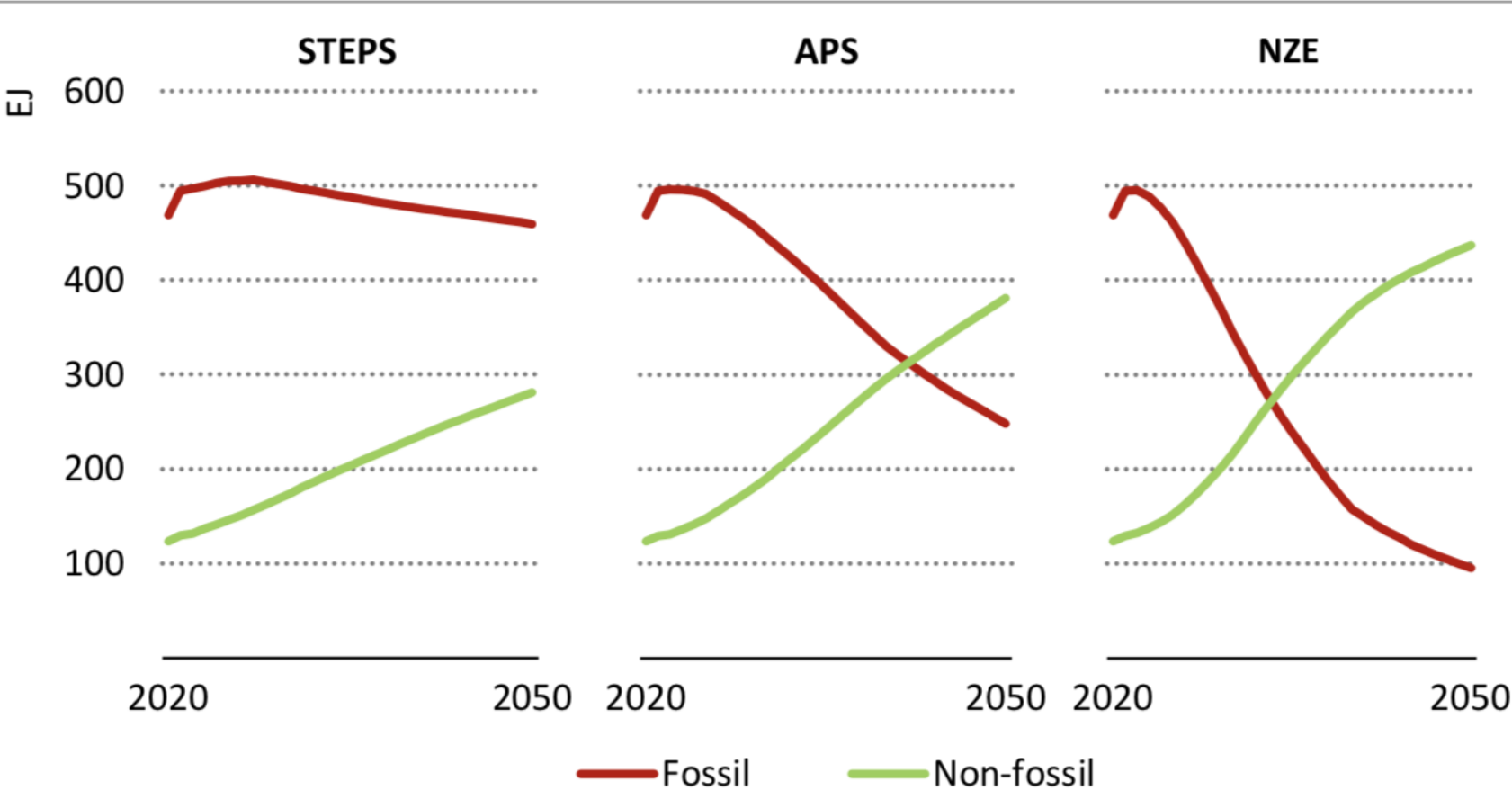
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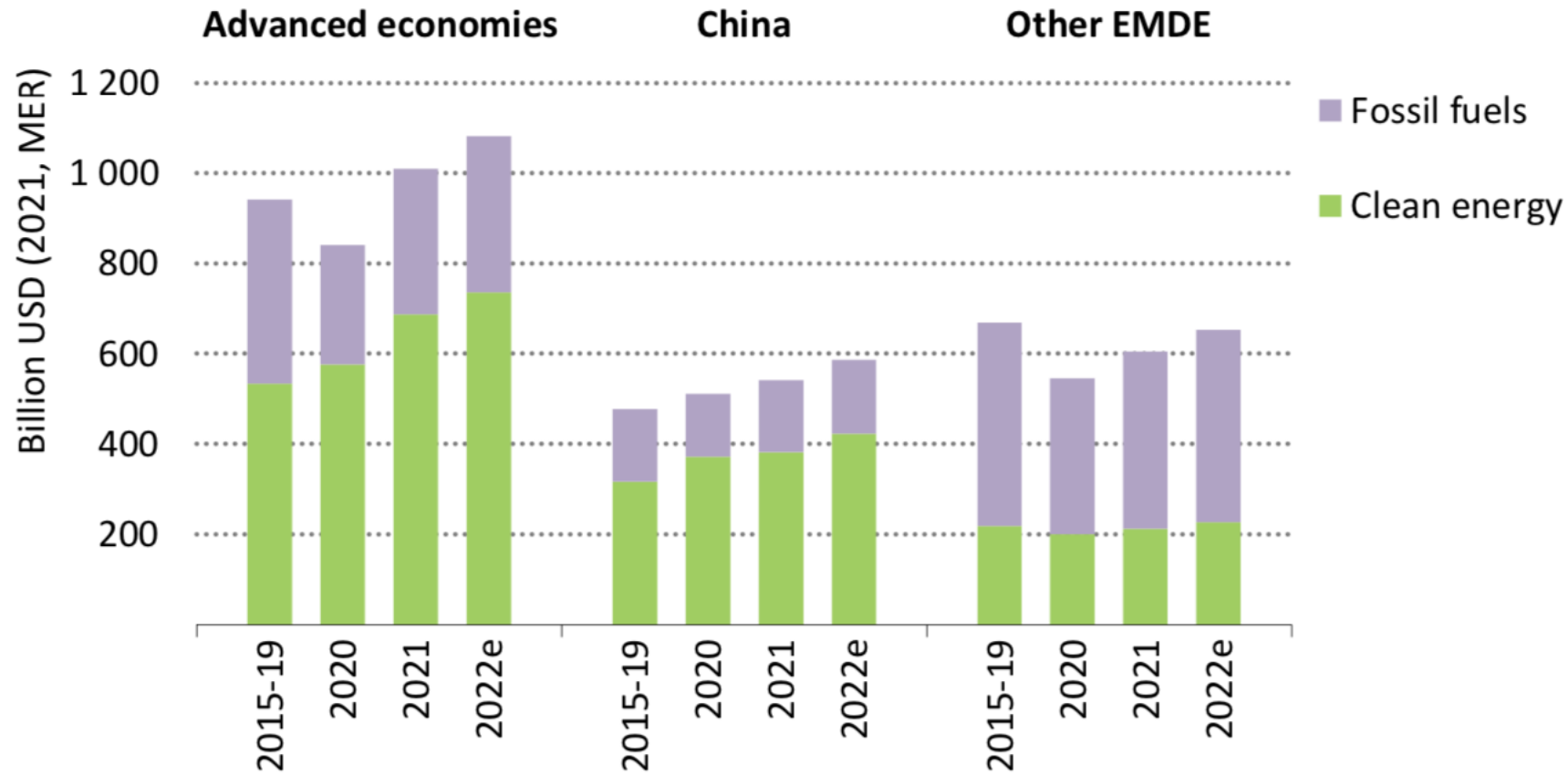
Shift in energy supply from fossil fuels to renewables

Figure 1.17 ▶ Fossil and non-fossil energy supply by scenario, 2020-2050



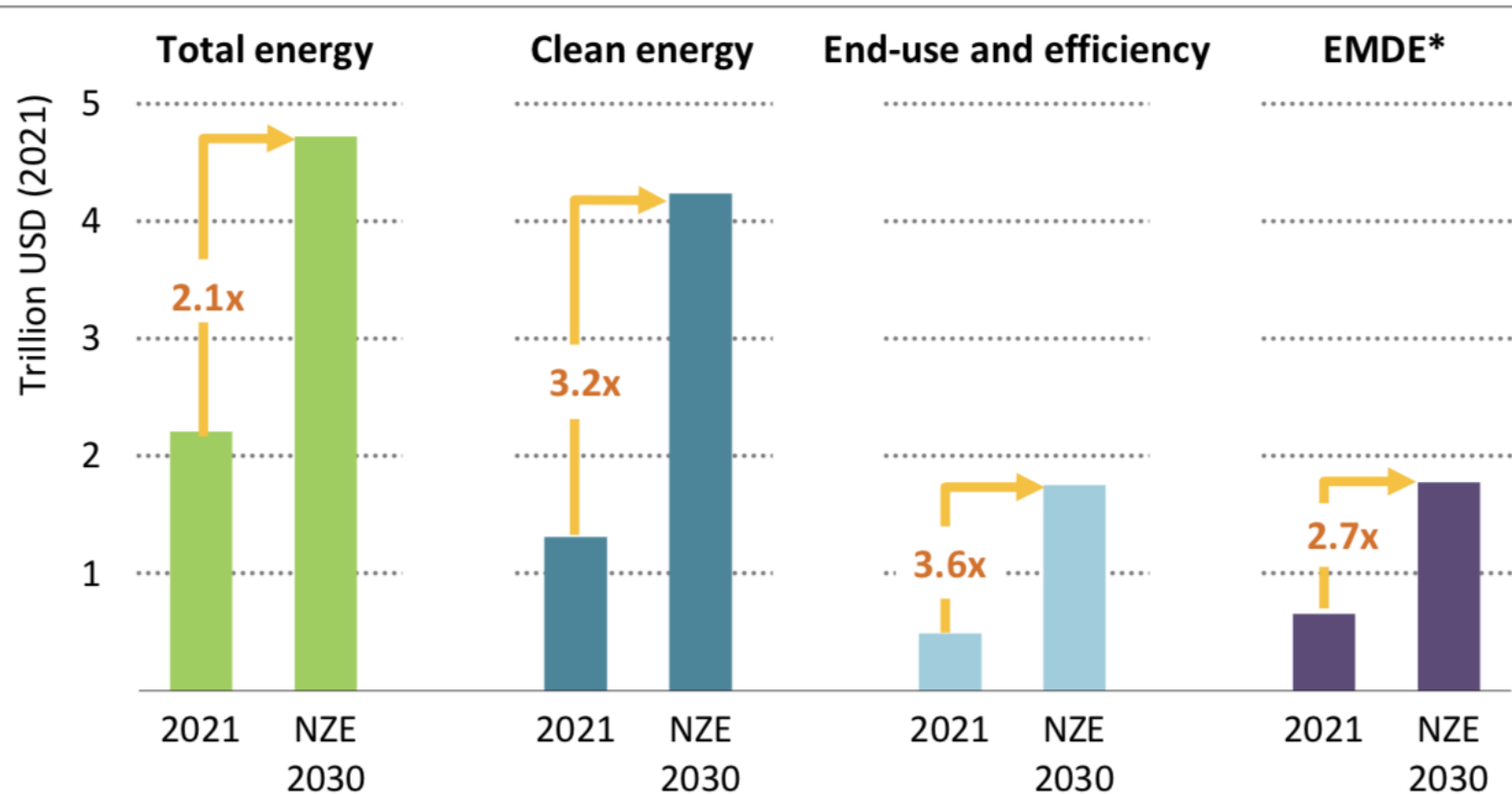
Energy investment in advanced economies and China is already largely in clean energy, no longer fossil fuels

Figure 2.7 ▶ Global energy investment by region



Transformation of the global energy system needs a massive scaling of investment

Figure 1.18 ▶ Energy investment in the NZE Scenario, 2021 and 2030



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A huge gap remains between finance currently committed to climate change action (incl clean energy) and what is needed: IPCC

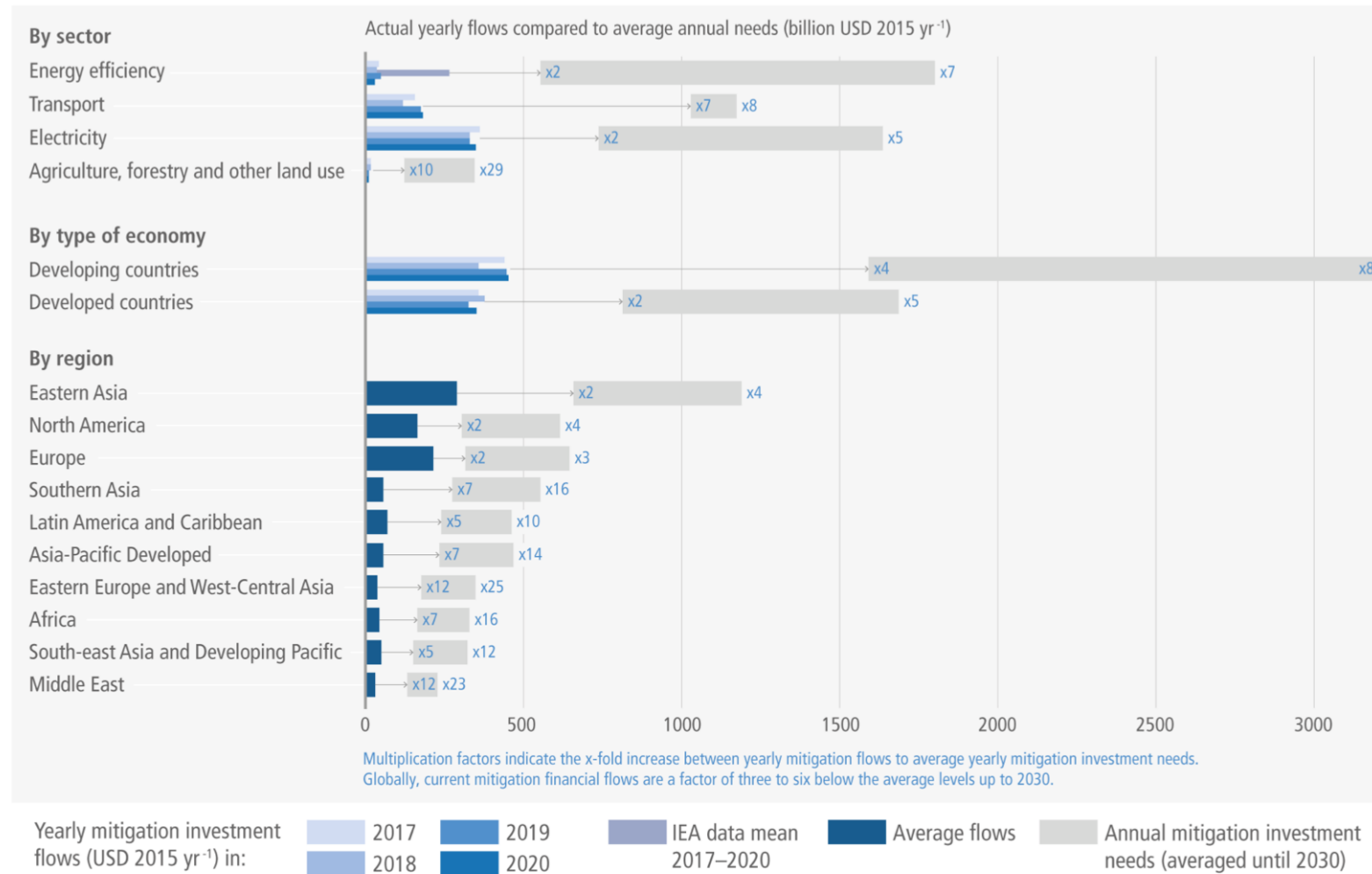


Figure TS.25: Mitigation investment flows fall short of investment needs across all sectors and types of economy, particularly in developing countries.



COP issues relevant for energy transition - context

Energy Crisis

- A focus on national energy security, and less emphasis on climate policy
- Filling back for Russian fossil fuels in Europe – short term
- Increased investment in renewables, electrification, energy efficiency – dominant in medium to longer term – will bring prices down for everyone

Worsening geo-strategic situation

- Focus is on national security – commitment to multilateral forums suffers
- But possible strengthening of alliances – eg G7 open ‘climate club’



COP issues relevant for energy transition – negotiations and commitments

Emissions targets/NDCs

- Global Stocktake process – a mixed picture
- Waiting for updated NDCs – next step 2035 targets

Climate Finance

- Big gaps remain – outlook for transfers from developed countries is worse now.

